

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK**

In re:

THE DIOCESE OF ROCHESTER,

Debtor.

) Chapter 11 Case

) Case No. 19-20905

**JOINT NOTICE OF HEARING TO CONSIDER
PROFESSIONAL FEE APPLICATIONS**

PLEASE TAKE NOTICE, that each of (i) Bond, Schoeneck & King, PLLC, counsel for The Diocese of Rochester, (the “Diocese”); (ii) Harris Beach, PLLC, special counsel for the Diocese; and (iii) Blank Rome, LLP, special insurance counsel for the Diocese, have filed applications (each, an “Application”) for interim allowance and payment of professional fees and expenses incurred in the above-captioned case. The amounts of fees and expenses requested by the foregoing professionals on an interim basis pursuant to the Applications are as follows:

Applicant	Fees Requested	Expenses Requested	Total	Application Period
Bond, Schoeneck & King, PLLC <i>Counsel for the Diocese</i>	\$285,246.00	\$6,186.52	\$291,432.52	8/1/20 – 12/31/20
Harris Beach, PLLC <i>Special Counsel for the Diocese</i>	\$266,047.50	\$77,963.65	\$344,011.15	9/1/20 – 1/31/21
Blank Rome, LLP <i>Special Insurance Counsel for the Diocese</i>	\$173,039.39	\$0.00	\$173,039.39	8/1/20 – 12/31/20

PLEASE TAKE FURTHER NOTICE, that a hearing to consider the Applications will be held before the Honorable Paul R. Warren, United States Bankruptcy Judge for the Western District of New York, at the United States Courthouse, 100 State Street, Rochester, New York, on the 6th day of May, 2021 at 11:00 a.m., or as soon thereafter as counsel can be heard.

PLEASE TAKE FURTHER NOTICE, that responses in opposition to the relief requested in the Applications, if any, must be filed with the United States Bankruptcy Court Clerk's Office in Rochester, New York and served upon (i) counsel for the Diocese, Bond, Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York 13202 (Attn: Stephen A. Donato and Charles J. Sullivan); (ii) the Office of the United States Trustee, Federal Office Building, 100 State Street, Rochester, New York 14614 (Attn: Kathleen D. Schmitt) and the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Shannon A. Scott, Esq.); (iii) counsel for the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones, LLP, 780 Third Avenue, 34th Floor, New York, New York 10017 (Attn: Ilan D. Scharf, Esq.) and (iv) the respective applicant(s) at the address(es) set forth on the attached schedule, in accordance with the Local Rules of Bankruptcy Procedure for the Western District of New York.

Dated: April 8, 2021
Syracuse, New York

BOND, SCHOENECK & KING, PLLC

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Garry M. Graber, Esq.
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Attorneys for Manufacturers & Traders Trust Co.
140 Pearl Street, Suite 100
Buffalo, NY 14202

All parties filing Notices of Appearance

All creditors and other parties in interest

SCHEDULE OF APPLICANTS

Bond, Schoeneck & King, PLLC

Attn: Stephen A. Donato
One Lincoln Center
Syracuse, NY 13202

Harris Beach, PLLC

Attn: Phillip Spellane
99 Garnsey Road
Pittsford, NY 14534

Blank Rome, LLP

Attn: James Murray
1825 Eye Street NW
Washington, DC 20006

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK**

In re:

THE DIOCESE OF ROCHESTER,

Debtor.

Chapter 11 Case

Case No. 19-20905

**THIRD APPLICATION FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF
BLANK ROME LLP, AS SPECIAL INSURANCE COUNSEL FOR THE DIOCESE**

TO: THE HONORABLE PAUL R. WARREN
UNITED STATES BANKRUPTCY JUDGE:

Blank Rome LLP ("Blank Rome") hereby submits its third interim application (this "Application") for compensation for services rendered and reimbursement of expenses incurred on behalf of the above-captioned debtor and debtor in possession (the "Diocese") from August 1, 2020 through December 31, 2020 (the "Third Interim Compensation Period"), and respectfully states as follows:

1. Blank Rome is a limited liability partnership engaged in the practice of law with an office at 1825 Eye Street, NW, Washington, D.C. 20006. The undersigned is a partner of the law firm of Blank Rome, with offices at 1825 Eye Street, NW, Washington, D.C. 20006 and an attorney-at-law, duly admitted and in good standing to practice in the State of New York. In addition to the undersigned, Blank Rome is an AM200 law firm with over 600 attorneys and offices in fourteen (14) locations in the United States and Shanghai.

2. Blank Rome submits this Application for allowance of interim compensation in the amount of \$173,039.39 and for reimbursement of actual and necessary costs and expenses in the amount of \$0.00 incurred by Blank Rome in the course of its representation of the Diocese in this Chapter 11 Case during the Third Interim Compensation Period.

GENERAL BACKGROUND

3. On September 12, 2019 (the “Petition Date”), the Diocese filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the “Bankruptcy Code”) with the United States Bankruptcy Court for the Western District of New York (the “Court”), commencing the Diocese’s chapter 11 case (this “Chapter 11 Case”). The Diocese continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. As of the date of this Application, no trustee or examiner has been appointed in this Chapter 11 Case. An Official Committee of Unsecured Creditors (the “Committee”) was appointed by the Office of the United States Trustee for the Western District of New York on September 26, 2019.

5. Information regarding the Diocese’s history, business operations, operational structure, facts supporting this Motion and the events leading up to the chapter 11 case can be found in the *Affidavit of Daniel J. Condon in Support of Chapter 11 Petition and First Day Pleadings* and the *Affidavit of Lisa M. Passero in Support of Chapter 11 Petition and First Day Pleadings*, each of which was filed on the Petition Date and is incorporated herein by reference..

6. On November 27, 2019, this Court entered an Order [Docket No. 300] appointing Blank Rome as special insurance counsel for the Diocese, effective *nunc pro tunc* to the Petition Date. Blank Rome did not receive a pre-petition retainer in connection with this Chapter 11 Case.

7. On December 5, 2019, this Court entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Members of Official Committees [Docket No. 318] (the “Interim Compensation Order”). In

addition, on May 12, 2020, the Court entered its *Supplement and Modification to Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Members of Official Committee* [Docket No. 545] (the “Supplemental Compensation Order”).

8. On May 13, 2020, the Court entered an order approving Blank Rome’s First Interim Fee Application and granting Blank Rome an award of fees in the amount of \$155,934.61 and expenses in the amount of \$5,475.75 for a total award of \$161,410.36 [Docket No. 561] (the “First Fee Award”). The First Fee Award was satisfied from the Diocese’s estate.

9. On November 18, 2020, the Court entered an order approving Blank Rome’s Second Interim Fee Application and granting Blank Rome an award of fees in the amount of \$86,759.73 and expenses in the amount of \$0.00 for a total award of \$86,759.73 [Docket No. 836] (the “Second Fee Award”). The Second Fee Award was satisfied from the Diocese’s estate.

10. Pursuant to the Interim Compensation Order, Blank Rome has submitted to the Diocese and the other Notice Parties (as defined in the Interim Compensation Order) monthly fee statements (each a “Monthly Fee Statement”) as follows:

Compensation Period	Requested Fees	Requested Expenses
8/1/20 – 8/31/20	\$31,958.46	\$0.00
9/1/20 – 9/30/20	\$42,683.02	\$0.00
10/1/20 – 10/31/20	\$51,257.36	\$0.00
11/1/20 – 11/30/20	\$40,127.39	\$0.00
12/1/20 – 12/31/20	\$7,013.16	\$0.00
Total:	\$173,039.39	\$0.00

11. Upon the expiration of the applicable objection period, the Interim Compensation Order authorized the Diocese to pay Blank Rome 80% of its undisputed fees and 100% of the undisputed expenses set forth in each Monthly Fee Statement. No formal objections to any of

Blank Rome's Monthly Fee Statements have been filed in accordance with the Interim Compensation Order. Accordingly, as of the date of this Application, the Diocese has paid the following amounts pursuant to Monthly Fee Statements during the Third Interim Compensation Period:

Compensation Period	Fees Paid at 80%	Expenses Paid at 100%
8/1/20 – 8/31/20	\$25,566.76	\$0.00
9/1/20 – 9/30/20	\$34,146.41	\$0.00
10/1/20 – 10/31/20	\$41,005.88	\$0.00
11/1/20 – 11/30/20	\$32,101.91	\$0.00
Total:	\$132,820.96	\$0.00

12. During the Third Interim Compensation Period, Blank Rome provided counsel to the Diocese on a wide range of business, litigation and other matters related to this Chapter 11 Case, including those matters set forth below.

**SUMMARY OF SERVICES PROVIDED TO DIOCESE
DURING THIRD INTERIM COMPENSATION PERIOD**

13. During the Third Interim Compensation Period, Blank Rome advised the Diocese in connection with insurance coverage for sexual abuse claims.

14. Blank Rome advised the Diocese on strategy for pursuing insurance coverage for sexual abuse claims in the bankruptcy and using insurance to reach a global resolution with the Committee of such claims.

15. The services that Blank Rome provided to the Diocese included preparing for, attending, and participating in multiple mediation sessions with the aim of securing insurance coverage to bring the bankruptcy to resolution.

16. Blank Rome prepared a matrix/analysis of sexual abuse claims filed in the bankruptcy with reference to the insurance policies to formulate the Diocese's positions in the mediation and to respond to issues raised by the insurance companies and Committee.

17. Blank Rome coordinated with bankruptcy counsel regarding mediation strategy and litigation issues in the bankruptcy proceedings.

18. Blank Rome continued to analyze the Diocese's historical insurance liability policies and secondary evidence of such policies, especially in connection with mediation-related issues.

19. In addition, Blank Rome prepared written mediation submissions for the mediator and communicated with the mediator, insurer counsel, and Committee counsel regarding insurance issues during prior to, and after mediation sessions.

20. Blank Rome also advised and assisted the Diocese in connection with written and oral communications and meetings with the insurance companies and/or their counsel, including responding to the insurers' inquiries, demands, and positions.

DISCUSSION

21. All of the services for which compensation is requested by Blank Rome were performed for, or on behalf of, the Diocese, and not on behalf of any creditor, examiner, trustee, or any other entity. In addition, Blank Rome has not entered into any agreements to fix fees or to share compensation as prohibited by 18 U.S.C. § 155 and 11 U.S.C. § 504.

22. During the Third Interim Compensation Period, Blank Rome billed to the Diocese a total of 317.90 hours in the rendition of professional and paraprofessional services on behalf of the Diocese. The blended hourly rate for all attorney services performed by Blank Rome during the Third Interim Compensation Period was \$544.32.

23. The following is a list of the professionals who performed services on behalf of the Diocese in this Chapter 11 Case during the Third Interim Compensation Period, together with their respective billing rates:

Name	Rate	Hours	Total
J. Murray (Partner)	\$1,095.00	95.50	\$104,572.50
J. Zola (Partner)	\$910.00	2.40	\$2,184.00
J. Carter (of Counsel)	\$810.00	56.80	\$46,008.00
H. Ahn (Associate)	\$540.00	2.50	\$1,350.00
R. Michaelson (Associate)	\$625.00	60.30	\$37,687.50
J. Thomas (Associate)	\$460.00	2.30	\$1,012.00
J. Hoffman (Paralegal)	\$375.00	.60	\$225.00
K. Rogers (Paralegal)	\$325.00	97.50	\$31,687.50
TOTAL		317.90	\$224,726.50
		Courtesy Discount:	(\$51,687.11)
		GRAND TOTAL FEES:	\$173,039.39

The professional primarily responsible for representing the Diocese in connection with this Chapter 11 Case is James Murray. Mr. Murray's practice involves representing policyholder clients in all aspects of insurance recovery matters. Mr. Murray has practiced before state and federal courts for over thirty (30) years. Mr. Murray was retained as special insurance counsel in the Diocese of Spokane, Oregon Province, Society of Jesus, Diocese of Helena, Diocese of Duluth, Diocese of New Ulm, Archdiocese of Santa Fe, Diocese of Buffalo, Archdiocese of New Orleans, and Archdiocese of Agana cases.

24. Prior to filing this Application, Blank Rome has provided to the Diocese the following Monthly Fee Statements setting forth Blank Rome's total fees for services rendered and expenses incurred in connection with Blank Rome's representation of the Diocese herein in the aggregate amount of \$173,039.39 and \$0.00, respectively: August 1, 2020 – August 31, 2020; September 1, 2020 – September 30, 2020; October 1, 2020 – October 31, 2020, November 1, 2020 – November 30, 2020; and December 1, 2020 – December 31, 2020. A copy of this Application has also been provided to the Diocese.

25. In addition to the foregoing specified services, Blank Rome has, in the exercise of its billing discretion, voluntarily written off services valued at greater than 10% of the total fees

sought pursuant to this Application, which services are not reflected on the time records attached hereto. Moreover, in cases composed of several separate ongoing matters such as this Chapter 11 Case, it is impossible to record the detail of each letter, telephone call, conference time or research. Many such hours have been performed to date, but Blank Rome is not requesting compensation for such services.

26. Blank Rome, in the ordinary course of its business, maintains computerized time records. Attached to this Application as Exhibit A are the detailed time records of the services performed on behalf of the Diocese from August 1, 2020 through December 31, 2020. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners at Blank Rome and other firms in comparable bankruptcy and non-bankruptcy cases.

27. There is no agreement or understanding amount the Diocese, Blank Rome or any other person or firm for sharing of compensation to be received for services rendered in this Chapter 11 Case.

28. The services that Blank Rome has rendered on behalf of the Diocese have been necessary and beneficial to the Diocese's estate.

29. Blank Rome notes that twelve factors are usually reviewed by the Court in calculating the fee due to professionals in bankruptcy cases:

- (1) the time and labor required;
- (2) the novelty and difficulty of issues;
- (3) the skill necessary to perform the services properly;
- (4) the preclusion of other employment;
- (5) the customary fee;

- (6) whether the fee is fixed or contingent;
- (7) time limitations imposed by the client or circumstances;
- (8) the amounts involved and the results obtained;
- (9) the experience, reputation and ability of the professional;
- (10) the undesirability of the case;
- (11) the nature and length of the professional relationship to the client; and
- (12) awards in similar cases.

30. Blank Rome respectfully suggests that the fair and reasonable value of the services performed by it during the Third Interim Compensation Period is \$173,039.39. As discussed above, Blank Rome did not receive a prepetition Retainer in connection with this Chapter 11 Case.

31. Pursuant to the Interim Compensation Order, which authorizes Blank Rome to be paid 80% of its undisputed fees, and 100% of its undisputed expenses on a monthly basis, Blank Rome has to date received a total of \$132,820.96 in fees and \$0.00 in expenses incurred during the Third Interim Compensation Period. In accordance with the Interim Compensation Order, fees and expenses received by Blank Rome to date totaling \$132,820.96 were paid from the Diocese's estate.

32. Based upon the foregoing, Blank Rome respectfully requests that this Court issue an Order approving payment to Blank Rome of fees in the amount of \$173,039.39 and directing the Diocese to pay to Blank Rome \$40,218.43, which is the unpaid portion of Blank Rome's fees incurred during the Third Interim Compensation Period.

DISBURSEMENTS

33. Blank Rome did not incur any out-of-pocket disbursements in connection with its representation of the Diocese during the Third Interim Compensation Period.

CONCLUSION

34. Based upon the foregoing, Blank Rome respectfully requests that the Court approve interim compensation of Blank Rome in the amount of \$173,039.39 for services rendered to the Diocese during the Third Interim Compensation Period, plus reimbursement of expenses in the amount of \$0.00, for a total award of \$173,039.39.

WHEREFORE, Blank Rome LLP respectfully prays for the entry of an Order:

- (a) Approving, awarding and allowing on an interim basis fees to Blank Rome for services rendered to the Diocese during the Third Interim Compensation Period in the sum of \$173,039.39, together with actual and necessary disbursements in the amount of \$0.00;
- (b) directing that Blank Rome be paid, from the Diocese's estate, all such fees and expenses which have not previously been paid pursuant to the Interim Compensation Order; and
- (c) granting such other and further relief as this Court deems just and proper.

Dated: March 26, 2021
Washington, D.C.

BLANK ROME LLP

By: /s/ James R. Murray
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*Special Insurance Counsel
For The Diocese of Rochester*